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LSO-1790
16 Aug 1955

12 AUG 1955

MEMORANDUM FOR: General Counsel

SUBJECT: Ownership and Operation of Vending Machines by
Employee Groups and the Use of "Profits"
Realized Therefrom.

REFERENCE: Agency Notice 20-660-7, Employee Services,
Vending Machine Proceeds

1. It has been suggested that vending machines (soft drinks, cigarettes, candy, etc.) located in the buildings of the Agency, and not owned or operated by stands or "snack bars" serviced by blind persons, be owned and/or operated by the Potomac Recreation Association and that the "profits" accruing therefrom be used to support employee recreation activities.

2. Based on Comptroller General Decision No. B-112840, 17 November 1952 (32 CG 282) it is assumed that an appropriate association of Agency employees could own vending machines and use the "profits" therefrom for employee welfare and/or recreational services.

3. This Office requests (1) an opinion concerning the assumption made in paragraph 2, above, especially as it might be affected by any subsequent decisions or interpretations, and (2) whether the current charter of the Potomac Recreation Association empowers it to undertake such activity and use the "profit" for its employee welfare and recreational activities.

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Harrison G. Reynolds
Director of Personnel

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